



Andrijasevic, R., & Sacchetto, D. (2017). 'Disappearing Workers': Foxconn in Europe and the changing role of Temporary Work Agencies. *Work, Employment and Society*, 31(1), 54-70.
<https://doi.org/10.1177/0950017015622918>

Peer reviewed version

Link to published version (if available):
[10.1177/0950017015622918](https://doi.org/10.1177/0950017015622918)

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‘Disappearing Workers’: Foxconn in Europe and the changing role of Temporary Work Agencies

Abstract

This article investigates the role of Temporary Work Agencies (TWAs) at Foxconn’s assembly plants in the Czech Republic. Drawing on the ethnographic fieldwork, it shows TWAs’ comprehensive management of migrant labour: recruitment and selection in the countries of origin, cross-border transportation, work and living arrangements in the country of destination, and return to the countries of origin during periods of low production. The article asks whether the distinctiveness of this specific mode of labour management can be understood adequately within the framework of existing theories on the temporary staffing industry. In approaching the staffing industry through the lens of migration labour analysis, the article reveals two key findings. Firstly, TWAs are creating new labour markets but do so by eroding workers rights and enabling new modalities of exploitation. Secondly, the diversification of TWAs’ roles and operations transformed TWAs from intermediaries between capital and labour to enterprises in their own right.

Keywords

Foxconn, migrant workers, Czech Republic, Temporary Work Agencies, triangular employment relationship, labour process

Introduction

The role of Temporary Work Agencies (TWAs) is predominantly investigated in relation to firms' demands for short-term flexible labour, determined above all by seasonal aspects of production, the need to find labour for jobs seen as undesirable, such as assembly line work, and the desire to reduce the labour costs and contractual responsibilities of direct employment (Grimshaw et al., 2001; Kalleberg et al., 2000; Koene et al., 2004; Thommes and Weiland, 2010). To counterbalance this body of literature focusing on firms' rationales for agency work, more recent research explores the temporary staffing sector itself. This new emphasis reveals that TWAs operate as active labour market intermediaries and need to be considered as an industry in their own right rather than as passive mediators between client firms and workers (Peck and Theodore, 2002). As a way of broadening the existing insights into the role of TWAs as labour market intermediaries, Coe et al. (2010) identify temporary staffing agencies and migration as a key area for the future research agenda on the staffing industry. They suggest studying three areas of TWAs' intervention: provision of transport and documentation, facilitation of migration, and arrangement of accommodation and work in the country of destination (Coe et al., 2010: 1065-6).

This article focuses on migration in particular and examines the variety of roles and services agencies perform in relation to migrant workers. These diversified activities are explored in the context of Foxconn's manufacturing plants in the Czech Republic because firstly, the electronics industry is

heavily reliant on temporary agency workers and secondly, Foxconn has extensive experience of large-scale deployment of internal migrants at its mainland Chinese factories (Chan et al., 2013). In offering a detailed reading of activities that TWAs perform in order to supply Foxconn plants with workers, this article contributes a more substantive theoretical account of TWAs' actions than that proposed by Coe, et al. (2010). It uses the idea of 'disappearing workers' to signal the ways in which the intervention of TWAs at every stage of the labour migration process enables new modalities of worker exploitation. TWAs render invisible both the presence of agency workers from Foxconn's official workforce and the irregularities concerning their working conditions.

By illustrating TWAs' involvement in the entirety of the labour migration process (i.e. recruiting migrant workers in their countries of origin, organising cross-border travel, managing migrant workers' labour inside the factories, and handling their housing in the destination country), the article sets out to address a specific question. That is, can the distinctiveness of the specific modes of labour management developed and practiced by TWAs be understood within the framework of existing theories on the temporary staffing industry? In asking this question, the article problematises the widely accepted view, typical of the temporary agency work literature that posits TWAs simply as intermediaries between capital and labour.

This article contends that the operating of agencies changes labour processes and relations. The theoretical contribution lies in revising the

premises of the flexible work paradigm and in understanding how migration shapes labour regimes in contemporary global capitalism. In arguing that TWAs are creating new cross-border labour markets through a comprehensive management of the migrant workforce that brings together countries of origin and those of destination as well as spheres of production and reproduction, the article extends the existing literature on the staffing industry, atypical work, and triangular employment relationship.

Temporary work agencies and the triangular employment relationship

The nature and role of TWAs is commented on most frequently in the context of the so-called triangular employment relationship between the client firm, the agency and the workers. Regarding client firms' demand for temporary agency workers, Peck and Theodore (2007: 175) show how agency work assumes a 'shock absorber' function for client firms in order to manage fluctuations in productive activity by externalising costs and regulatory risks. Workers, another point in the triangle, resort to TWAs for various reasons. They might seek the flexibility offered by short-term contracts, multiple workplaces and non-standard working hours, and/or their employment choice might be limited by the gendered and racialised segmentation of the labour market (Forde et al., 2008; Vosko, 2000). Given their role in constructing the market for temporary employment, TWAs weaken the standard employment relationship and facilitate an expansion of the temporary and flexible employment (Peck and Theodore, 2001; Ward, 2005). Moreover, Elcioglu

(2010) argues that TWAs reproduce precarity by actively obstructing the transition from temporary to permanent work as a way of securing reliable profit. It is this role in driving labour market deregulation and transforming the structure of employment relations that gives TWAs heightened prominence as active agents in market-making (Coe et al., 2010; Peck et al., 2005).

Additionally, research into contemporary factory-production regimes, where temporary agency workers are a significant part of the workforce, illustrates a further aspect of the triangular employment relationship. Building on the notion of the 'dual control system' (Gottfried, 1992) in their study of car assembly plants in France, Purcell et al (2011) show the overlapping system of sanctions enforced on workers by agency and client firm alike. As Vosko (2000) suggests, such a relationship between the agency and the client firm intensifies control over the labour process and, given the lack of a permanent contract, engenders tougher working conditions which agency workers have little ability to influence or change.

The above research into TWAs offers important insights into the ways agencies increase atypical work, characterised by casualisation, high levels of unpredictability and widespread insecurity, as well as how the triangular employment relationship, which mediates the interaction between TWAs and client firms, intensifies control in the labour process. Despite its wide scope, the literature on TWAs has yet to tackle the relationship between migrant labour and the staffing industry. The issue of labour mediation in relation to migration is addressed by the migration studies literature that focuses

predominantly on informal labour contractors, either as individuals or groups. With the exception of Pijpers' (2010) study of international work agencies recruiting Polish workers for Dutch employers, investigation of formal TWAs is scarce and tends to focus on the role of agencies in recruiting migrants already present in the destination country (see also McDowell et al, 2008; McKay and Markova, 2010). These gaps notwithstanding, the migration studies perspective helps to pinpoint several aspects key to the contracting of migrant labour. Firstly, labour migration is a process and, in order to understand migrants' working conditions in the country of destination, it is necessary to examine the recruitment practices in the country of origin as well as the dynamics of cross-border travel (Kapur, 2005; Author B). Secondly, via its approach to migration and employment, the state is a key actor in promoting the conditions in which profiting from migrant labour is able to flourish. Informal contractors play an important role in that they facilitate cross-border movement and access to work for those migrants whose mobility is restricted by visa and immigration regulations (Čermáková and Nekorjak, 2009; Author A). Thirdly, resorting to labour contractors places migrants in a vulnerable situation because of the debts accumulated to pay for the contractor's services that might include recruitment and cross-border travel as well as access to work and housing (Anderson and Rogaly, 2005). In poorly regulated sectors like horticulture, the food industry, care and sex work, the engagement of informal contractors is likely to reinforce migrants' precarity and foster situations of forced labour (Anderson, 2010; Geddes et al., 2013).

Drawing on the above, this article makes an original contribution to research into the staffing industry by approaching it through the lens of migration labour analysis. The predominant focus of the staffing industry literature on TWAs involves examining agencies' mediation role and the employment practices they adopt. Beyond this focus, a migration labour perspective makes visible a varied chain of activities, actions and roles that agencies undertake across national borders when contracting migrant workers. The organisation of production begins in locations far from the actual workplace since it is not only bound to the specificity of the workforce inside the factory but also to how this specificity is managed outside the factory. In broadening the field of analysis from employment practices to recruitment, transportation and the reproduction of labour, the article makes visible how these operations alter agencies' relationship with the client firm and hence the very premises of the triangular employment relationship. Migrant labour presents a conceptual and theoretical challenge to the staffing industry and the contemporary factory-production regimes literature in two ways. Firstly it demonstrates the inadequacy of a national frame of analysis, and secondly it makes visible the shortfalls of attempts to theorise labour processes by focusing predominantly on the politics of production in the workplace.

Research context, method and data

The Czech Republic is an important hub for an export-oriented electronics assembly and Foxconn's most important European site, but remarkably little

is known about Foxconn in Europe. Foxconn, a Taiwanese-owned corporation, is the largest electronic manufacturing firm in the world. While it has plants in the Czech Republic, Slovakia, Hungary, Turkey and Russia, to date scholars only investigated the activities of the company's factories in mainland China (Pun and Chan, 2012; Pun et al, 2010). Radosevic (2004) notes that among emerging markets Central and Eastern Europe (CEE) developed as the second-tier global location in the electronics industry, just behind East Asia, thanks to regional comparative advantages such as low labour costs, skilled labour and proximity to the EU market.

Foxconn entered the electronics market in the Czech Republic in 2000 when it acquired a former socialist conglomerate's infrastructure belonging to the Tesla Group in Pardubice, about 100 km from Prague. Seven years later it built a new factory in nearby Kutná Hora. Both plants assemble desktops, laptops, servers and printer cartridges for major brands such as HP, Sony, Samsung, Chimei, Innolux, Cisco and, until a couple of years ago, Apple. Together the two factories employ, either directly or indirectly, about 10,000 workers and rely heavily on agency workers for assembly line operations.

This article draws on the ethnographic study of Foxconn assembly plants in the Czech Republic consisting of 63 interviews and participant observation such as living in the dormitories and sharing workers facilities. The interviews are comprised of an interview with a top manager, 25 with agency workers, 23 with core workers, and 14 with key informants. The majority of core workers, employed directly by Foxconn are Czech nationals aged 30 to 50,

with the others being Slovak, Mongolian, Vietnamese and Ukrainian. Czech and Slovak core workers, usually men, married and with children, have a vocational education, are employed on permanent contracts as foremen, supervisors and group leaders. Non-EU core workers, both men and women, have university-level education and are employed as repair workers or operators. The 25 agency workers come from Romania, Bulgaria, Slovakia and Poland and are men and women, aged 20 to 35, not married and without children. They have vocational education are recruited to carry out exclusively assembly-line jobs. A minority of workers are older men and women, aged 50 to 65, accompanied by their grown up children, and working in packing.

All research participants were informed about the scope of the research and gave their consent to be interviewed. While the name of the firm and of TWAs are 'real', workers' names are replaced by pseudonyms. To guarantee participants anonymity, interviews were conducted outside the factory, in bars, parks and dormitories. Foxconn's Human Resources Department and the TWAs supplying workers to Foxconn were made aware of the ongoing research but refused to be interviewed. Other key informants that provided perspectives on TWAs and Foxconn's operations were representatives of the Pardubice Labour Office and Labour Inspectorate, the Ministry of Labour and Social Affairs, the Metalworkers Federation (KOVO) and the Czech-Moravian Confederation of Trade Unions (ČMKOS).

The fieldwork took place over a total of 30 days over 3 visits in February, June and September 2012. Structuring the fieldwork in three stages was motivated by the fact that the majority of interviews were conducted in languages other than English (Czech, Polish, Romanian, Bulgarian, Ukrainian, Mongolian and Vietnamese) and involved securing the services of translators who were often available only for short periods of time. As the authors relied on translations provided by two research assistants and several other language-specific translators, field notes became a crucial tool for recording key aspects of the interviews at the end of each day and, as the fieldwork progressed, for noting more reflexive observations and discussions. Staying at the same dormitories as the workers facilitated access to the field and offered valuable opportunities for observing the functioning of the dormitories and workers' interactions and routines. Even though the dormitories rent out the majority of their rooms to the TWAs on a permanent basis, they also offer accommodation to paying guests.

Managing migrant labour

Foxconn started using agency workers in late 2004 when the Czech government introduced the concept of agency employment into the Labour Code and set out the rules for temporary work (Hála, 2007). At the Pardubice plant, 2,000-2,500 out of 5,000-6,000 were agency workers; at Kutná Hora, the number was 1,000-1,500 out of a total of 2,500-3,000 workers. The percentage of agency workers remained steady at about 40 per cent

although at times, as in 2009, it peaked at 60 per cent (Bormann and Plank, 2010: 41). Foxconn's reliance on agency work took place in a context of market uncertainty and, as a trade union representative at Foxconn plants explained, constant turnover of core workers:

Comparing to the Czech Republic more broadly, there is a high turnover of workers. I cannot tell you concrete numbers, but monthly it is around 30 persons at least who leave and arrive to Foxconn. It varies. If a project finishes then it could be 100 persons. It can take half or even a whole year before another project starts. Meanwhile Foxconn does not keep the workers. (Dobroslav, male, Czech, core worker)

With around 25-30 per cent turnover of core workers per year and high levels of seasonal fluctuation in production, the importance of temporary agency workers became evident. Foxconn relied mainly on three TWAs: Xawax, Express People and VVV Tour. Every agency specialised in the recruitment of particular nationalities, although at times they also recruited workers of other nationalities: Xawax worked mostly with Romanians, Express People with Slovak and Polish workers, and VVV Tour with Bulgarians. This division was steady and Foxconn did not seem to change agencies frequently. The only change since 2004 was that Xawax has replaced VVV Tour as the largest supplier of temporary workers. Whether with Slovaks, Romanians, Poles or Bulgarians, all three agencies operated in a similar manner.

Workforce recruitment in countries of origin and cross-border travel

The type of TWAs engaged in cross-border recruitment and selection were small or medium-sized rather than large operators and focused on the recruitment of groups of workers. Large agencies, as McLoughlin and Münz (2011) suggest, do not participate in cross-border recruitment as they target individuals rather than groups of workers. TWAs supplying workers to Foxconn recruited and selected workers directly in the countries of origin via online and newspaper advertisements and did not charge workers for these services. Agencies provided potential workers with initial job information and selected workers on the basis of having no medical condition or criminal record as well as passing a basic maths and logic test:

I found out about Foxconn from an advert that said that there will be a gathering in Katowice where they told us what to do regarding getting the job, sorting out the work documents, how to go about getting to the GP etc. There were about 70 people together and the agency transported us straight away to Hurka [workers' dormitory] in three buses that held around 25 people each. It was done through an agency called SK Express based in Slovakia and Express People, which is the same agency. (Dariusz, male, Polish, agency worker)

Following the first round of selection, recruitment modalities happened rather quickly. Some workers said they were recruited just a few days before starting work at Foxconn. As well as responding to adverts in local

newspapers or online, migrants also contacted work agencies themselves if they had a friend or a family member working at Foxconn whose migration had also been facilitated by the TWAs.

Transport to the Czech Republic was organised by the agencies at no cost to the workers. Using coaches or minivans, stopping at various points to collect workers, agencies moved workers from their countries of origin directly to the Foxconn plants in the Czech Republic. There the workers were put onto local coaches and divided between dormitories that were located off site and about 20-30 minutes drive from the factory. These operations typically took place at the weekend as buses arrived at Foxconn on a Sunday afternoon. On the Monday workers began work at the plants.

As well as bringing workers to the Czech Republic, TWAs also organised group transportation to workers' countries of origins (and back to the factories again) for the main holidays. Such group-organised movement permits agencies to ensure attendance and avoid delayed returns, as might happen when travel is undertaken individually:

I got fired because I did not come back on time from Poland. I went to Poland for Easter and returned a couple of days late so the agency did not accept me back as they got someone else. (Dariusz, male, Polish, agency worker)

TWAs' organisation of movement was related to Foxconn's production needs. During low-production periods agencies transported workers back to their countries of origin where they remained until production resumed:

There is a group of workers that are going back home today [26 February 2012]. So, half of the Bulgarian workers are going home now and will basically be waiting for the extension of production. They will be back on the 23 of March. (Vassil, male, Bulgarian, agency worker)

The ability to move workers across national borders is to be considered in relation to the EU enlargement process that enabled EU-wide labour mobility. The TWAs rely on the new EU nationals' right to move and work across the EU:

I worked as a bricklayer in Hungary. In Slovakia I worked at the TPCA factory [a joint venture between Toyota, Peugeot, Citroen, and Audi], and in Italy I worked in agriculture. Now I am here. I arrived in Italy, Imola, in September 2011 and the salary was €6, but in March 2012 it decreased to €3.50 so I decided to go back to Romania. Then I learned that the agency was looking for people to work at Foxconn and I came here. (Petre, male, Romanian, agency worker)

As the right of new EU nationals from Eastern Europe to move and work in the enlarged EU enables agencies to recruit workers in Slovakia, Poland, Romania and Bulgaria, so it also limits the access agencies previously had to

workers from non-EU countries. Agencies are not permitted to lease non-EU workers to client firms, and non-EU nationals who are already employed need to renew their work permits every six months instead of every one or two years as before. This created a bigger administrative burden and risk for employers, and it changed the composition of labour at Foxconn. A former HR manager at Foxconn explained how over time the number of workers from Vietnam and Mongolia on direct contracts decreased, and that of agency workers from neighbouring EU countries increased because the latter do not need a work permit.

In the previous guest-worker regime, individual states planned, regulated and managed international migration via bilateral agreements (Castles, 1986). In contrast, states' role within an enlarged Europe is largely limited to the control of non-EU migratory flows as the movement of EU workers, next to being autonomous, is regimented by TWAs. The nationalities of migrant workers at Foxconn reflected the general situation in the Czech Republic, where in 2011 non-nationals counted for 5.4 per cent of the workforce. Migrant workers came mostly from Slovakia (114,000), Ukraine (70,000), Vietnam (34,000), Poland (21,000), Bulgaria (8,000) and Romania (7,000). There were also Mongolians, whose numbers dropped from 13,000 in 2008 to 3,300 in 2011; the restrictive immigration policy towards non-EU nationals also reduced the numbers of Ukrainians and Vietnamese significantly (Horáková, 2011). The activities TWAs undertake are therefore best seen as depending on what Peng (2011: 727) calls the 'interaction between production and state politics', namely the overlap between Foxconn's production needs, cost-cutting

pressure that corporate customers place on Foxconn, as well as state labour and immigration policies.

Management of the workforce inside and outside the factories

Links between Foxconn and TWAs were close. Xawax, the agency that supplied most workers to Foxconn, had its offices within the factory complex. Inside the factories agencies played an active role in the management of labour and were responsible for the quality, quantity and timing of the work performed by agency workers. The key figure from the agency was the so-called coordinator of production, or line-leader. The role of the coordinator was to distribute the agency workforce on the basis of Foxconn's needs: he or she attended meetings with Foxconn to get a clear idea of how many workers were needed on what shift, in what positions and for how many hours, and which workers Foxconn managers would like or not to have back. These decision were taken on a daily basis:

The line-leader is the one distributing people between departments. The line-leader is the boss. He's in charge alongside the supervisor from Foxconn. They distribute the work. There are workers who are called reserves. They can work all the positions in one line. But they work a different position every day, on the positions that become available, and the line-leader decides where they get assigned.
(Cezara, female, Romanian, agency worker)

As the coordinator needed to interact with the agency workers, and as most of these were non-Czech speakers, the coordinators were usually of the same nationality as the workers and spoke (some) Czech so they could interpret when needed. The coordinator was responsible for agency workers' performance and provided workers with their uniforms. These were colour-coded to distinguish core workers from agency workers. This became key in situations of low production when agency and core workers could end up working next to each other on the same line. The coordinator's roles certainly confirm the idea of duality of control as elaborated in the factory-production regimes literature discussed earlier as both client firm and agency are exercising control over the workers. The involvement and responsibilities of the coordinator also cast new light on the role of TWAs in relation to production. Commonly, in a triangular employment relationship that regulates the interaction between the client firm, TWA and workers, managerial responsibilities for production lie with the firm and legal responsibilities with the agency (Purcell et al., 2004). However, for agency workers at Foxconn the boundaries between the responsibilities of the agency and the client firm were blurred in that TWAs were directly responsible for organising, controlling and managing agency workers' performance on the assembly line. TWAs' extensive intervention in the labour process resulted in agency workers 'disappearing' from the client firm's view; as a Foxconn top manager summed it up: 'agency workers do not work for Foxconn'.

Beyond the factories, dormitories were central to TWAs' management of migrant labour. In Pardubice the dormitories were located off site and across town, the most important being Hotel Harmony, Veselka, Hurka, Labe and Semtin. These dormitories were previously hotels, army barracks or earlier factory accommodation. Dormitories varied in size, housing between a couple of hundred and a thousand people. Each dormitory was, in the main, rented out to one agency. As TWAs provided workers to several client firms, workers from different industries stayed in the same dormitories. Four workers per room was standard, but the availability of en suite bathroom and kitchenette differed radically from dormitory to dormitory. At Hotel Harmony and Hurka, for example, rooms were equipped with a bathroom (toilet and shower) as well as a cooking hob. At Veselka this was not the case: on some floors a total of 80 people used two women's and 5-8 men's showers and on other floors there were no separate showers for women and men. Similarly, at Veselka there was only one kitchen, equipped with two electric hobs and no utensils, per entire floor. Consequently, if workers stayed in a dormitory such as Veselka where there was effectively no real possibility of cooking a warm meal and bringing it to the factory, they were likely to skip meals or eat snacks during their shifts. While agency workers had access to the factory canteen, they paid more for a warm meal (€2 to €3) than core workers (€0.2 to €1) and, finding it too expensive, preferred not to eat in the canteen.

The allocation of workers to dormitories and their distribution in rooms was also managed by the agencies. In Hotel Harmony, for example, each Sunday when new workers arrived from their countries of origin, Xawax gave the

receptionist a colour-coded spreadsheet listing, by room, the workers who were arriving, those who were leaving and those who were switching rooms. Workers were not allowed to swap rooms themselves and the receptionist too was not allowed to move workers between rooms without the approval of the agency. The agency employee in charge of this distribution was known as the 'coordinator' for dormitories. He or she allocated workers to rooms on the basis of nationality, maintained order and curbed excessive behaviour such as drinking, partying or bringing in external guests. Additionally, TWAs staff organised transport to the factory in smaller or larger vans, or drove workers personally when extra workers were needed on a shift. Dormitories were therefore pivotal for TWAs' management of migrant labour in the Czech Republic. This finding demonstrates that the dormitory labour regime, previously assumed to be a unique feature of Foxconn's Chinese factories (Pun and Smith, 2007) is also an essential element of their workforce management practices in the EU. In the Czech Republic, as much as in mainland China, large-scale factory production relies on migrant labour that is organised so as to combine spaces of work and residence.

Beyond the triangular employment relationship

The wide reach of TWAs' activities and roles has a significant impact on the triangular employment relationship as well as on the theorising of this relationship. In what follows the article takes a closer look at sphere of

reproduction and subcontracting as key issues indicative of the changing configuration of the triangular employment relationship.

The overlap of spheres of production and reproduction

Dormitories are fundamental to TWAs' management of migrant labour as well as their ability to meet Foxconn's demands for temporary workforce. Dormitories facilitate cross-border labour mobility and provide a place of socialisation and exchange of information between workers. This is especially important at the moment of arrival when workers are struggling to orient themselves in a new environment. At the same time dormitories also make it possible for agencies (and Foxconn) to extract additional labour from workers:

When I was in the dormitory the coordinator would come, knock on the door, enter and tell us "let's go, there is work". He would grab us and we would need to go even if we just finished our shift. He would also wake us up and make us go. (Karol, male, Polish, agency worker)

To escape such forms of pressure some workers moved to private flats where they felt more independent. When workers moved into flats agencies contributed 3000 Czech Koruna (CZK), approximately €115, towards the rent and the workers put in the rest, around €150-€250. To qualify for the contribution workers must work a minimum of 150 hours per month. During

periods of low production, TWAs privileged workers in the flats and assigned them work first but these workers were also more vulnerable than those in the dormitories who did not feel burdened by the accommodation costs:

Here is the thing – last month Xawax sent 200 people home, but they've kept the rest of us here at Hurka even though there was no work. They target people who rent, because if a worker does not fulfil their minimum 150 hours quota per month they cannot afford to pay for accommodation. I am not affected by this as Xawax provides for my accommodation here. (Cezara, female, Romanian, agency worker)

The type of employment contract used by the agencies relied heavily on the dormitory system. Workers were initially signed up for a period of 300 hours, which functioned as a probation period, and were then promised a one-year contract. Usually, after the initial 300 hours, workers were simply put on another short-term contract. The promise of a one-year contract served as an incentive to complete the 300 hours that, in periods of low production, could take 2-3 months. During the 'trial' period workers were not paid their full wages but given an advance of 1000 CZK (€40) per week. The practice of signing workers on a series of short-term contracts dispels the idea that temporary work leads to permanent employment, and it shows that short-term contracts are the norm for agency workers at Foxconn.

Postponing the payment of wages further tied the workers to the agencies: workers might have been frustrated by their working conditions, dormitories

or the lack of work, but they were unwilling to leave until paid. The insecurity produced by fluctuating production and the short notice agency workers were given about their shifts – at best a week’s notice, at worst the same day – increased unpredictability and the idea that, even if there is no work today, there might be work tomorrow so it is best to stay put and remain available:

I work in Foxconn with an agency but the problem is that we don’t work a lot. In January 2012 I worked only 51 hours and I earned 5,000 crowns [€200]. Every morning I went to the factory to ask if there was work, but they told me that there wasn’t any for me. With me there were also other hundreds of workers. We are all hired by the agencies and we go in front of the gates and we wait for the boss to call for us. But they call only some ten or so workers, the others wait for a telephone call from the agency or go back to the dormitory. (Konrad, male, Polish, agency worker).

It was not uncommon for workers to have to wait a week in the dormitory without work. Given fluctuating production requirements, the dormitories enabled the agencies and Foxconn to stand workers down for several days without risking a shortage of workers. In this way, TWAs allowed Foxconn to avail itself of a stationary workforce that was under discrete yet constant control of the agencies. Dormitories and flats are therefore key in constructing and maintaining a workforce marked by the feeling of what Gregg (2011) has called ‘work’s intimacy’, namely the anxiety that results from anticipation and being always potentially ready to work. Moreover, as no

children are permitted in the dormitories, thereby eliminating disruptions caused by schooling or parenting needs, the dormitories place workers outside the regular cycles of the reproductive sphere and orientate all activity towards meeting the production needs of the client firm. The only kind of reproduction agency workers are allowed is, in fact, manufacturing. This does not imply that workers, either men or women were childless. On the contrary, and in opposition to mainland China where Foxconn did not employ workers older than 35, in the Czech Republic a number of agency workers were well in their 40s and 50s. Some of them were separated from their children who have remained in the workers' countries of origin while others have sent for their sons and/or daughters and these too became agency workers at Foxconn. Either way, migrant agency workers were both removed from a home life that might act as consolation between periods of paid work and detached from a possible form of generative community as their non-work sphere was colonised by the employer.

Next to bringing to the fore the interdependence of the productive and the reproductive spheres, a focus on dormitories also makes visible the ways in which migrant labour alters the traditional roles and functions of TWAs. The dormitories can be seen, as Pun and Smith (2007) suggest, in terms of a regime that facilitates extension of management's control over labour. The best example is perhaps the fact that when agency workers got fired, they lost the right to the dormitory and had to vacate their rooms in 1-2 days. Contrary, however, to mainland China where workers are hired directly by Foxconn on one- to three-year contracts and work 60 hours per week, in the

Czech Republic the majority of agency workers were young EU migrant workers hired on short renewable 300-hour contracts and working intermittent shifts. While TWAs might appear to have an all encompassing control over migrant labour, the paradox is that agencies enable migrant workers' greater mobility and awareness of working conditions and wages elsewhere. Many migrants previously worked in another EU country and, by relying on the agencies and dormitories they were able to move and find work relatively easily. In the situation where worker mobility is not restricted by state imposed limits to temporary residence and work shifts and employment arrangements are sporadic, dormitories operate as devices that temporarily capture and attach a mobile and transient low-wage European workforce to the firm. Migrant labour alters the scope of agencies' activities in that agencies take up new roles in the attempt to channel and contain migrant workers' mobility, in particular through intrusions into their private sphere. The findings suggest then a need to extend beyond a focus on employment practices in the workplace in analysing triangular employment relationships. The situation demands consideration of how the interlocked nature of production and reproduction processes is enabling new modalities of worker exploitation and erosion of worker rights.

Internal subcontracting

Davidov (2004) remarks that the triangular employment relationship fragments the workforce, as core and agency workers work in the same space but do not

share the same employer and have different wages, rights and benefits. This separation was visible at Foxconn's plants where migrant agency workers worked on the assembly line and core workers, who were predominantly Czech nationals, in positions such as foremen, group leaders, and supervisors. The ways in which the Czech state regulates TWAs' activities are important in sustaining this fragmentation. It is relatively easy to set up a TWA in the Czech Republic. According to the representative of the Ministry of Labour, one needs to be at least 23 years old, without a criminal record, have three or five years of working experience, and obtain a permit issued by the Ministry. There is no need for an initial capital investment, only the payment of a 50,000 CZK administrative fee (€2,000). Next to the relaxed prerequisites in setting up a TWA, the Czech state also permits TWAs to contribute up to 3000 CKZ towards workers' housing and it lifted the ceiling that limited agency workers to a maximum of 20 per cent of the total workforce.

These incentives enable TWAs to widen the scope of their actions. The result is a situation of what Vosko (2009) calls 'ambiguity' between the employment and commercial spheres in which agency workers find themselves because the agreement they have with the TWAs is contingent upon the existence of a commercial contract between client firm and the TWAs. In defining the relation between the client firm and the agency as a business contract between two participating firms, the state leaves broad scope for actions that in turn enable firms to circumvent the statutory employment law (see Sporton, 2013). This circumvention is best seen in the rollover of temporary contacts:

I was on a six-month contract and I was happy with that. Now agency is renewing my contract monthly although I have been here for over two years. After one month we sign the contract for three months, and after three months we sign it for six months. Every year there is a different company showing on the contract. (Cezara, female, Polish, agency worker)

The practice of having workers sign multiple contracts needs to be seen in the context of recent changes to the regulation of TWAs. According to the EU Directive on Temporary Work, effective from 1 October 2011, after 12 weeks on the same job and for the same hirer, an agency worker qualifies for the same basic employment and working conditions as if recruited directly by the client firm. Agencies manage to circumvent this condition by ending workers' contracts before completion of the 12 weeks and re-engaging the same worker on a similar contract with another branch of the same agency, usually registered as a company.

The ambiguity around business contracts also permits TWAs to expand to incorporate functions of the client firm. This can be seen in the case of internal subcontracting, where each agency manages its 'own' assembly line:

The effort is to make every agency separate. When the production was at the highest, one whole assembly line was managed by each agency, say Xawax, but now that production is lower, permanent

workers are complemented by agency workers. (Odval, female, Mongolian, core worker)

As the client firm and the subcontractor are both effectively manufacturing the same product, Neo (2010: 1015) suggested that internal subcontracting is a strategy for disguising an employment relationship as a business relationship. The arrangement in which suppliers become sub-contractors and take greater ownership of production units in a plant, including direct control of contract labour, as in the case of Volkswagen's factory in Brazil researched by de P. Abreu, Beynon and Ramalho (2000), points to the danger of subcontracting producing vertical divisions within a factory workforce and preventing trade union bargaining at the plant level. Such vertical division between core workers and agency workers was clearly discernible at Foxconn plants and it was compounded by the fact that the trade union was not much interested in the condition of migrant workers, largely because their turnover was rather high and they did not speak Czech (with the exception of Slovak workers). This lack of interest seemed to originate in the fact that the trade union's concerns were framed primarily by a national focus and that the union pursued a narrow unionisation strategy in favour of core workers whereby agency staff absorbed the impact of fluctuation of demand for labour:

The introduction of agency employment into the Labour Code proves a problem for the trade union to look after the interest of core workers and at the same time make sure that agency workers' rights are not

taken away from them. If a firm loses an order then the agency workers are being let go first and, although we can tell core workers that we'll protect their place, in reality we are facing the situation where core workers might get punished next. Our representative could also represent agency workers, but the danger then is that we could have a situation where the workforce is 90 per cent agency workers, especially in areas where the job is relatively simple to do. (Radek, male, Czech, trade unionist)

Compared to the Volkswagen factory in Brazil, the specificity of the Foxconn plants lies in the fact that the sub-contractors are not component suppliers but rather TWAs that have not entered into a joint enterprise with Foxconn and have no domain knowledge in electronics. TWAs exclusively supply labour on a large scale, and it is precisely the fact that these are migrant workers, employed, recruited *and* housed by the agencies, that permits TWAs to gain ground inside the factories and increasingly take on direct management of production. Within this changed relationship between the client firm and agencies, employment irregularities concerning agency workers become institutionally invisible and 'disappear'. This 'disappearance' is best illustrated by the fact that the local Labour Inspectorate considered subcontracting and its potential irregularities as falling beyond the scope of its activity despite agency workers' structural indispensability for Foxconn's production process.

Conclusions

This article investigates the linkages between the staffing industry and migrant labour and reveals how the changing role of TWAs in the globalised labour market is to the detriment of workers and working conditions. It argues that there is a need to break with the flexi-centric conceptualisation of the temporary staffing industry and the related triangular employment relationship framework as these approaches restrict the analysis to TWAs' employment practices, the national regulatory context and the workplace (see Koene et al, 2004; Peck and Theodore, 2007; Purcell et al 2004; Thommes and Weiland, 2010).

The research findings demonstrate that apart from traditional leasing of workers, TWAs are taking on direct management of production and diversifying their operations to include organisation of recruitment, transportation and housing of workers. Similarly then to the dormitories in post-socialist China (Peng, 2011; Pun and Smith, 2007), agencies are giving rise to modalities of exploitation that merge spaces of work and residence for capital accumulation. Such functioning of TWAs represents a major departure from the previous model of organised labour migration flows in Europe, where under the guest-worker regime states arranged the recruitment and transportation of migrant workers while leaving the control of the labour process to the firm (see Castles, 1986). The change is best described in terms of a shift from a model of state-regulated labour migration and

mediation to a model of private and comprehensive management of the workforce, aimed at maximising the short-term utilisation of labour.

The research clearly demonstrates the theoretical relevance of adopting a migration labour analysis for investigating the staffing industry. This is because it reveals the ways in which the management of migrant labour transforms TWAs' traditional role from that of intermediaries between capital and labour to enterprises in their own right. This means that TWAs gain profit from the comprehensive management of migrant workforces rather than by simply extracting a part of workers' wages (see McDowell et al, 2008). In doing so it creates 'disappearing workers'. Moreover, contrary to the triangular employment relationship approach, a migration labour analysis offers a more dynamic and integrated perspective on changing arrangements between capital and the state and shows the political shifts whereby certain labour regimes are detached from traditional forms of state authority. A key topic for future research on the staffing industry is then to interrogate the tensions and antagonisms within this emerging regime, whether between agencies and firms for the control of the labour process, or capital and labour for the control of labour's mobility.

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